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## EMPLOYMENT TRAINING PANEL

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### POLICY

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**TITLE: HIGH UNEMPLOYMENT AREAS**

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**EFFECTIVE DATE: 7/1/00**

**REVISED 12/15/01, 10/24/02, 4/12/04, 06/28/06**

**6/28/06 Revision: High unemployment areas of the State are updated. (See Attachment.)**

#### **Purpose of Directive**

As one of its mandates, the Employment Training Panel (ETP) targets training in high unemployment areas (HUA) of the State, and may make special provisions for “working poor” trainees in these areas, as provided below. This Policy sets forth criteria for determining HUAs. It also provides a listing of currently identified HUAs (see Attachment).

#### **Background**

The Panel targets training funds in HUAs, with a focus on the “working poor”. Training projects in HUAs may be approved under both the regular Economic Development category (i.e., retraining of incumbent workers of businesses challenged by out-of-state competition, and training of unemployed workers for secure, well-paying jobs), and under the Special Employment Training (SET) category.

#### **Determining High Unemployment Areas**

- (a) The Panel shall target those areas of the State which, based on the most recent Employment Development Department (EDD) statistics, contain unemployment rates significantly higher than the unemployment rate for California. The Panel may approve contracts under this allocation for employers located in areas of high unemployment. These areas, **effective June 16, 2006, which** may be updated **periodically**, consist of:
- 1) Counties with the highest unemployment rates (at least 25 percent higher than the state average), based on data from EDD’s Labor Market Information Division (LMID).

- 2) If a county has an unemployment rate which is not 25 percent higher than the state average, but, within this county, there is a definable area with an unemployment rate at least 25 percent higher than the State average, based on LMID and census data information, at the time the application for funding is received by ETP, then this area will be considered a high unemployment area.

The attachment to this policy identifies the counties and sub-county areas that meet the above criteria, **as of June 16, 2006**. This list is not exhaustive; other counties and sub-county areas that are not included on the attached list may also be classified as HUAs, if the unemployment rate is subsequently shown to meet the criteria set out above. These situations should be elevated by the Development Analyst to their Development Manager.

- (b) Training agreements under this allocation should focus on the “working poor”. The “working poor” are defined as workers who have full-time jobs and fairly stable employment, but earn low wages (defined as less than the required ETP minimum wage) and lack the essential job skills necessary to improve their employment opportunities. Their lack of job skills is often accompanied by limited education and limited English-speaking skills.

Trainees in HUA need not be “working poor” trainees. However, only “working poor” trainees in HUA projects will be eligible for the following waivers:

- 1) Wage requirements set out in Unemployment Insurance Code section 10201(f). The Panel may waive the minimum wage requirements for retrainees, up to 25 percent below the ETP minimum wage requirement, before training, for retrainees (the wage may include health benefits). This may be done provided that the post-retention wage of each trainee who has completed training and the required retention period exceeds his or her wage, before training, by at least 7 percent, except in cases precluded by existing collective bargaining agreements. This determination shall be made on a project-by-project basis to ensure that post-training improvements in earnings are sufficient to warrant the investment of public funds. The 7 percent increase in wages must be calculated on the base wage before training, exclusive of any cost of living increase and health benefits.
- 2) For new hire trainees, the Panel may also waive the ETP minimum wage requirements, up to 25 percent below the ETP minimum wage for new hires, after training and employment retention. (Health benefits may be included in a new hire trainee’s post training and retention wage to meet

the minimum wage requirement, when a wage waiver has been granted.) This waiver will be made on a case-by-case basis and will not require a post-retention wage increase because these trainees are not employed during training and do not receive wages during their training.

- 3) Limitations on training hours as specified in the Limit on Training Hours Policy, if the Panel determines additional training will achieve employment stability and advancement opportunities.
  - 4) Limitations of ETP Regulation, Section 4420, Literacy training, to permit the funding of basic literacy training skills up to 100 percent of the total vocational skills training hours per trainee.
- (c) A training proposal developed and approved under this section shall meet all ETP requirements not otherwise changed, exempted, or eliminated by this section.

## TARGETED HIGH UNEMPLOYMENT AREAS IN CALIFORNIA FISCAL YEAR 2006-07

The Panel will target those areas of the State which, based on the most recent LMID unemployment statistics, contain unemployment rates significantly higher than the unemployment rate for California. These areas account for about one-third of the unemployed in California, and include unemployment rates that significantly exceed the state average. For the State fiscal year 2006-07, there are two major groupings of HUAs:

- 1) Counties with unemployment rates that are 25 percent higher than the state average, based on LMID data from EDD. As of **June 16, 2006**, counties must have an unemployment rate of at least 5.75 percent, which is 25 percent higher than the State average of 4.6 percent. Based on this criteria, HUAs include, but are not limited to, the following counties:

COUNTIES WITH RATES 25% HIGHER THAN STATE AVERAGE
Alpine
Colusa
Del Norte
Fresno
Glenn
Imperial
Kern
Kings
Lake
Lassen
Madera
Merced
Modoc
Plumas
San Benito
San Joaquin
Shasta
Sierra
Siskiyou
Stanislaus
Sutter
Tehama
Trinity
Tulare
Yuba

- 2) If a county has an unemployment rate which is not 25 percent higher than the state average, but, within this county, there is a definable area with an unemployment rate at least 25 percent higher than the State average, based on LMID and census data information, at the time the application for funding is received by ETP, then this area will be considered a high unemployment area. The following list includes areas considered as areas of high unemployment.

<b>COUNTIES WITH RATE LESS THAN 25% HIGHER THAN STATE AVERAGE BUT WITH DEFINABLE AREA WITH RATE 25% HIGHER THAN STATE AVERAGE</b>	
<b><i>COUNTY</i></b>	<b><i>CITY/AREA</i></b>
Alameda	Cherryland Oakland
<b><i>Butte</i></b>	Chico Gridley Magalia Oroville Palermo South Oroville Thermalito
<b><i>Contra Costa</i></b>	Bay Point Bayview Montalvin Crockett Moraga Pittsburg Richmond San Pablo
<b><i>El Dorado</i></b>	Placerville South Lake Tahoe

<b>COUNTIES WITH RATE LESS THAN 25% HIGHER THAN STATE AVERAGE BUT WITH DEFINABLE AREA WITH RATE 25% HIGHER THAN STATE AVERAGE</b>	
<b>COUNTY</b>	<b>CITY/AREA</b>
Los Angeles	Baldwin Park Bell Bell Gardens Commerce Compton Cudahy East Compton East Los Angeles El Monte Florence Graham Hawthorne Huntington Park Inglewood Lake Los Angeles Lancaster Lennox Lynwood Maywood Palmdale Paramount Pomona South El Monte South Gate South San Jose Hills Valinda Walnut Park West Compton Westmont Willowbrook

<b>COUNTIES WITH RATE LESS THAN 25% HIGHER THAN STATE AVERAGE BUT WITH DEFINABLE AREA WITH RATE 25% HIGHER THAN STATE AVERAGE</b>	
<b>COUNTY</b>	<b>CITY/AREA</b>
Monterey	Castroville Gonzales Greenfield King City Las Lomas Salinas Soledad
Placer	Lincoln
Riverside	Coachella Desert Hot Springs Hemet Lakeland Village Mecca Perris Rubidoux San Jacinto
Sacramento	Florin Galt North Highlands Parkway South Sacramento Rio Linda
San Bernardino	Adelanto Bloomington Muscoy San Bernardino
San Diego	Imperial Beach National City
San Mateo	East Palo Alto North Fair Oaks
Santa Barbara	Isla Vista Montecito
Santa Clara	Gilroy Morgan Hill San Martin
Santa Cruz	Freedom Interlaken Watsonville
Solano	Vallejo
Tuolumne	Jamestown
Ventura	Santa Paula
Yolo	West Sacramento